

California Veterans Board

Annual Report

2004-2005

CALIFORNIA VETERANS BOARD



Annual Report 2004-2005



BOARD MEMBERS

George G. Sinopoli, Chairman



Leo P. Burke, Vice Chairman

Dr. Vernon Chong, Member

Col. James C. Crump (Ret), Member



William D. Jackson, Member



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INTRODUCTION

The California Veterans Board (CVB) was established within the California Department of Veterans Affairs (CDVA) under the Statutes of 1946, and is governed by the California Military and Veterans Code. It is composed of seven members, appointed to non-concurrent four-year terms by the Governor, subject to confirmation by the Senate. The Governor fills vacancies for the un-expired portion of the terms in which they occur. Six of the members must be California veterans, one may be a non-California veteran, and one member must be a military retiree. Senate Bill 1470 (Statutes of 1996, Chapter 1145) placed the Secretary of the Department on the Board (California Veterans Board) as one of the seven members, effective January 1, 1997. Senate Bill 101 (Statutes of 2000, Chapter 219) removed the Secretary of the Department. Assembly Bill 2933 Statutes of 2000, Chapter 534 requires that one Board member shall have substantial training or professional expertise in geriatrics, gerontology, or long-term care. Senate Bill 1717 requires that at least one member of the Board be a resident of on the California Veterans Homes.

The Board elects a Chairman who then selects a Vice Chairman. The Chairman conducts monthly meetings and any Special Sessions that may be convened. The Board takes into consideration budgetary constraints, and veteran representation in the community in selecting appropriate sites to convene meetings. Board meetings are open to all veterans, veterans service organizations, and the general public.

The Board also participates in the legislative process by testifying in person or in writing to the Legislature on behalf of veterans on matters pertaining to the welfare of the veteran community of California. Individual Board members may be assigned liaison duties with major veterans organizations including The American Legion, Disabled American Veterans, Veterans of Foreign Wars, and AMVETS. The Board may attend other veteran's functions by invitation. Board members serve on the Board's Select Committees at the pleasure of the Chairman. Section 86(a) of the California Military and Veterans Code provides that any veteran who applies for benefits may appeal any decision of the Department to the Board. The Board is the final level of administrative appeal.

The Board monitors veterans and dependents policy issues through Select Committees, whose chairmen maintain contact with the Department staff and others. The Board determines the policy for all operations of the Department, including significant changes affecting all on-going programs, proposed programs, and long-range planning, to include the Farm and Home Loan program, veterans claims and rights, the California veterans homes, and the Department's Strategic Plan.

The people of the State of California have a long and distinguished history of support for the men and women who have served the United States in military uniform. This support has, over time, manifested itself by the development of a significant California public policy segment devoted to veterans and issues of importance to them. The duties and responsibilities of the California Veterans Board, which are enumerated in the Military and Veterans Code, evolved as part of that public policy development.

At the transition from the 19th to the 20th century, the State of California became the responsible manager of the Veterans Home of California at Yountville, a facility providing retirement care for aged and disabled military veterans since 1884. Following the armistice that ended World War I, California, like most other states, wanted to provide some sort of official appreciation for their service to those veterans returning from the war. In 1921, the Legislature established the Veterans Welfare Board to manage the programs enacted to give constructive form to that appreciation. By 1929 attention to veteran-related issues had grown

sufficiently resulting in the establishment of a new department of state government to be known as the Department of Military and Veterans Affairs. Together with the Veterans Welfare Board and a number of other boards, this department managed veterans programs and policy issues until the end of World War II.

In 1946 following World War II, a governmental reorganization saw the establishment of the Department of Veterans Affairs and California Veterans Board as replacements for the Department of Military and Veterans Affairs, the Veterans Welfare Board, and the lesser known boards. Statutory authorization for the California Veterans Board is found in Section 64 of the California Military and Veterans Code. Sections 65 and 66 of the Code establish the size of the Board and the requirements for service upon it.

GOALS AND OBJECTIVES FOR 2005

- The California Veterans Board will set policies for the California Department of Veterans Affairs that will be both cost effective and valuable to the state's approximate 2.3 million veterans. While doing this task, the Board will ensure that the Department's expenditures are cost-effective by continuing to evaluate and approve major expenditures and operational procedures.
- The Board will seek more functional methods to adjudicate veteran's appeals against the state by better utilizing the Board's independent legal counsel and staff during research.
- The Board will work toward a fiscal climate for the Department that will permit the continuation of lowering Cal Vet loan interest rates, improved management of billing cycles and reimbursements of charges at the California Veterans Homes.
- The Board will continue to work with the Department as partners toward the simplification and streamlining of procedures and programs. This especially applies to the Farm and Home programs with their related insurance plans, and the fiscal management of the California Veterans Homes.
- The Board will work in partnership with the Department to evaluate the Alzheimer and Dementia study and encourage the implementation of more beneficial programs at the veterans homes using cost-effective funding.
- The Board will continue to support the state's many veterans services programs while working to provide the California County Veterans Services Officers with proper tools and funding to carry out their assigned mission.
- The Board will work toward enhancing their relationship with the state's veteran population and continue to interface with the state's many veterans' organizations.
- The Board will continue to provide board oversight on new veterans home projects.
- The Board will continue an awards program to recognize those veterans and organizations deserving such recognition.
- The Board will respond to the principals of governance by involvement in the Department's policy matters rather than the Department's operations.

- The Board will continue to develop open communication with the Department of Veterans Affairs, The Governor's Office, the Veterans Committees in the Senate and Assembly and the veterans of California.

MISSION STATEMENT

To determine policies for the California Department of Veterans Affairs; to hear and render decisions on veterans' appeals; to set the annual rate of interest on Cal-Vet farm and home loans; to ensure that the more than three million veterans residing in California and their dependents are treated fairly and are provided, upon request, all information available relating to the benefits authorized by state law, including quality veterans homes; to interface with California's veteran organizations; and to conduct all board business by **serving veterans today.**

BOARD MEMBERS

Members do not receive a salary. This position requires Senate confirmation.

GEORGE G. SINOPOLI, CHAIRMAN

Mr. Sinopoli of Fresno is Chairman and has served as a member of the California Veterans Board since 1962. He was appointed by Governor Pat Brown and continued to serve on the California Veterans Board for Governor Ronald Reagan until 1969. In 1976 Governor Jerry Brown reappointed him until 1981 and reappointed again by Governor Gray Davis on March of 2002. He has served as Chairman of the California Veterans Board for more than 10 years. Mr. Sinopoli has served as State Commander and Executive Director of the American Legion. During World War II, Mr. Sinopoli served as an Army Air Corps Pilot. His term runs until January 15, 2006 in accordance to Military & Veterans Code §66.

LEO P. BURKE, VICE CHAIRMAN

Mr. Burke of Stockton was appointed by Governor George Deukmejian as a member of the California Veterans Board. Mr. Burke was reappointed for two terms by Governor Pete Wilson and reappointed by Governor Gray Davis in 2002 and 2003 as a member of the California Veterans Board. He was elected Chairman of the Veterans Board in November 1986 and served in that capacity through March 1991. In addition to his Board responsibilities he served for the last twenty-eight years and continues to serve on the San Joaquin Delta Community College Board of Trustees. Prior to retirement, he served for thirty-one years as the Administrator of the Stockton Convention Center. Mr. Burke served in the U. S. Marine Corps, is a veteran of World War II and was past National Vice Commander of the American Legion. He served as a member of the Disabled American Veterans Charities of San Joaquin County from 1978 to present. In addition, he was appointed to the San Joaquin Fair Board by Governor Jerry Brown. Additionally, he was Chairman of the Governor's Commission of Veterans Homes appointed by Governor Gray Davis. The commission recommended the following cities to build the new veterans homes – Los Angeles, Ventura, Lancaster, Fresno, and Redding. In 1995 Mr. Burke served on Governor Pete Wilson's Panel on President's Clinton's White House Conference of Aging. Then years later he served on Congressman Pombo's Panel on President George W. Bush's White House Conference of aging in (2005). He also has served on the U.S. Department of Veterans Affairs Advisory Committee of Cemeteries and Memorials. Furthermore, Mr. Burke serves as the National Legislative Commission Vice Chairman of the American Legion from 1995 to present. His term expires January 15, 2007 in accordance to Military & Veterans Code §66.5.

VERNON CHONG, MEMBER

Governor Arnold Schwarzenegger appointed Dr. Vernon Chong of Lincoln as a member of the California Veterans Board on June 2004 and January 2005. Dr. Chong is physician and surgeon and a 31-year-veteran of the U.S. Air Force, achieving the rank of Major General before his retirement in 1994. His last active duty assignment was at the Headquarters United States European Command in Stuttgart, Germany as Command Surgeon. He was a Network Director for the U.S. Department of Veterans Affairs and Special Assistant to the Network Director from 1995-2003. His term expires January 15, 2009 in accordance to Military & Veterans Code §66.5.

JAMES C. CRUMP, JR.

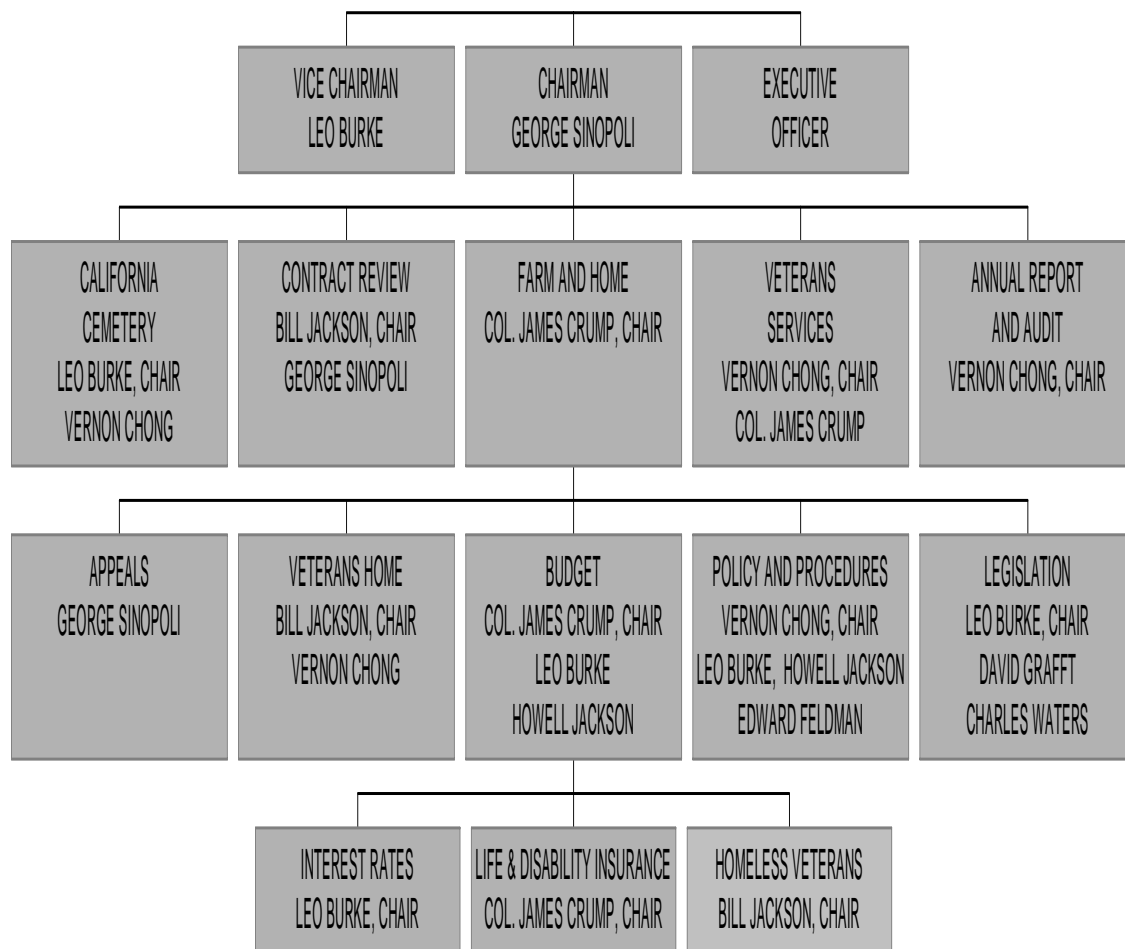
Governor Arnold Schwarzenegger appointed James C. Crump, Jr. of Folsom as a member of the California Veterans Board in November 2004. Mr. Crump is a 34-year-veteran of the United States Air Force, which included enlisted time, retiring in the rank of Colonel 1988. His last active duty assignment was at the Sacramento Air Logistics Center, McClellan Air Base, California, as the Inspector General. Following military service Mr. Crump served as chief of airport firefighting and airfield operations for the Sacramento County Airport System for 14 years and later retired in 2004 as a Sacramento County Reserve Lieutenant Deputy Sheriff. His term expires January 15, 2006 in accordance to Military & Veterans Code §66.

WILLIAM D. JACKSON

Governor Arnold Schwarzenegger appointed William D. Jackson of Barstow as a member of the California Veterans Board in January 2005. Mr. Jackson has been a resident of the California Veterans Home of Barstow since June 1998. Mr. Jackson served in the Army from 1950 to 1957. He is a retired real estate agent and equipment rental yard operator. His term expires January 15, 2006 in accordance to Military & Veterans Code §66.

CALIFORNIA VETERANS BOARD

2005 ORGANIZATION CHART & SELECT COMMITTEE ASSIGNMENTS



BOARD MEMBER QUALIFICATIONS

The California Veterans Board was established within the California Department of Veterans Affairs under the Statutes of 1946, and is governed by the California Military and Veterans Code. It is composed of seven members, appointed to non-concurrent four-year terms by the Governor, subject to confirmation by the Senate. The Governor will fill any vacancies for the un-expired portion of the terms in which they occur.

- All of the members must be veterans as “veteran” is defined in Section 18540.4 of the Government Code (In accordance with Assembly Bill 76, Chapter 138, Statutes of 1993)
- One member shall be retired from the active or reserve forces of the United States military (In accordance with Assembly Bill 76, Chapter 138, Statutes of 1993.)
- One member shall have substantial training or professional expertise in mortgage lending and real estate finance (in accordance with Assembly Bill 1858, Chapter 977, Statutes of 2002)
- One member shall have substantial training or professional expertise in geriatrics, gerontology, or long-term care (in accordance with Assembly Bill 2933, Chapter 534, Statutes of 2000,).
- One member shall be a resident of the California Veterans Homes (in accordance with Senate Bill 1717, Chapter 304, Statutes of 2000).
- One member shall have an accounting or auditing background (Senate Bill 1858, Chapter 977, Statutes of 2002)

BOARD POSITIONS

The Board elects a Chairman who then selects a Vice Chairman. The Chairman conducts monthly meetings and any Special Sessions that may be convened.

BOARD RESPONSIBILITIES

The Board takes into consideration budgetary constraints, veteran representation in the community, and appropriate meeting sites when convening meetings. Board meetings are open to all veterans, veterans’ service organizations, members of the legislature and the general public. For budget savings, the board changed from two-days to one-day meetings. An exception to this decision would be to conduct Formal Appeal Hearings). No meetings are scheduled in November and March.

The Board also participates in the legislative process by testifying in person or in writing to the Legislature on behalf of veterans on matters pertaining to the welfare of the veteran community of California. Individual Board members may be assigned liaison duties with major veterans organizations including but not restricted to: The American Legion, the Disabled American Veterans, the Veterans of Foreign Wars, the Jewish War Veterans, the American GI Forum and the AMVETS. The Board may attend other veteran functions by invitation. Board members serve on the Board’s Select Committees at the pleasure of the Chairman.

The Board monitors veterans and dependents policy issues through Select Committees, whose chairmen maintain contact with the Department staff and others. The Board determines the policy for all operations of the Department, including significant changes affecting on-going programs, proposed programs, and long-range planning to include: the Farm and Home Loan program, Veterans claims and rights, the California Veterans homes, and the Department’s Strategic Plan.

Section 86(a) of the California Military and Veterans Code provides that any veteran who applies for benefits may appeal any decision of the Department to the Board. The Board is the final level of administrative appeal.

MAP OF BOARD MEMBERS HOMETOWNS

HOMETOWNS OF CALIFORNIA VETERANS BOARD MEMBERS



POLICY AND ADMINISTRATION

HISTORY AND BACKGROUND

The people of California have created a veterans-related public policy area of remarkable dimension. That dimension was created through a vote of the people at the ballot box, a wide range of action taken by the Legislature, and a history of strong support from California's governors. In the vast statutory maze that provides the structure of California government, more than 2,300 citations are veteran specific. Many of those statutes deal with programs administered and/or managed by the California Department of Veterans Affairs. Section 72 of the California Military and Veterans Code provides that the California Veterans Board "... shall determine the policies for all operations of the Department."

Policymaking is a collaborative effort. It requires the collection of information from many sources and from those with divergent points of view. Thoughtful review of the information is required before it can be appropriately distilled to a form usable in constructive discussion. Once these steps have been taken, consensus among the Board members must be reached on which items merit the status of policy items and which are merely informational or instructive.

The current Board membership believes that this collaborative process has been the norm rather than the exception for the past half-century. It recognizes, however, that the addition of clarifying language to Section 84 of the Code has improved the process by which policy for the Department of Veterans Affairs is made. These improvements were added through Senate Bill 1470, Chapter 1145, and Statutes of 1996.

The Department of Veterans Affairs, under provisions of Section 70 of the Military and Veterans Code, is charged with administration and management of the specified programs within its purview, and under Section 74 of the Code, the Secretary of Veterans Affairs is the responsible executive in the management and operation of those programs.

HOW DOES THE BOARD ATTEND TO POLICY?

During this reporting year, members participated in many other meetings that were related to their work on the California Veterans Board. They also participated in 8 separate appeals filed by veterans disputing judgments made by the Department of Veterans Affairs in the discharge of its program administration responsibilities. Additionally, each Board member participated in a number of functions that they did not believe met the standard of official business. It should be noted that the members of the Board are widely recognized throughout California as key players in the veteran's public policy arena (detail chart of appeals attached within).

STRUCTURE AND PROCESS

The Board's policy-making responsibility is an integral part of how the Department of Veterans Affairs manages the services it provides to California's veterans. The establishment of a concise and orderly process by the Board to exercise that responsibility is also fundamental.

To achieve this orderly process, the Board has created two mechanisms. The first is a select committee structure through which topic-specific review and individual expertise or interest

of a Board member can be effectively utilized to gather and prioritize information so that action items can be identified. Once identified, the select committee members bring items to the public meeting of the full Board for additional review and whatever response the full membership sees as appropriate. The second element in the Board's structure is the Policy Book. As the name indicates, this is the official statement of the "...guiding principles..." promulgated by the Board in discharge of its duties as described in Section 72 of the Military and Veterans Code.

The Select Committees are; Annual Report and Audit, Appeals, Contract Review, Farm and Home, Legislation, Policy and Procedures, Recognition and Awards, Veterans Homes, and Veterans Services. Assignments to these nine Select Committees encompass the majority of work done by individual members in the discharge of their Board responsibilities. The organization chart of the Select Committees is enclosed. Details of each committee are included in the minutes of the Board meetings found on the Board's web site: www.cdva.ca.gov/board. The key accomplishments of those committees include:

1. The California Veterans Board Annual Report
2. Several Department Contract reviews and Audits
3. Contract reviews for newer lower interest rates for CDVA Farm and Home Loans
4. Actively involved in review of Request for Proposals for Life and Disability Programs
5. Reviewed and stated positions on over 54 Legislative Bills
6. Recognition to numerous veteran supporters and veterans organizations (chart enclosed)
7. Reports on and visits to each of the three California Veterans Homes
8. Monthly updates on Veterans Services Programs
9. Revising and updating the California Veterans Board Policy Book

The 2001 Legislative session provided reinforcing language with respect to the role and support of the Board. Senate Bill 164 Sponsored by Senator Johannessen, provided for a full time Executive Officer to tend the day-to-day business of the Board. The bill also required the Board to provide an annual report to the Legislature each year.

DEPARTMENTAL PROGRAMS

FARM AND HOME LOAN PROGRAM

The Department began making low interest rate farm and home loans to veterans in the State of California following the enactment of the California Legislature of the Veterans Farm and Home Purchase Act of 1921. In 1943, the Legislature enacted the Veterans Farm and Home Purchase Act of 1943, which modified the Program to meet new needs of veterans. The Veterans Farm and Home Purchase Act of 1974, which again modified the Program,

superseded the 1943 Act. The 1943 Act established the 1943 Fund in the State Treasury, which is the principal fund utilized by the Program.

Funds used to finance the purchases are through the sale of Revenue Bonds and Veterans General Obligation Bonds, combined with surplus revenues under the Program not needed at any given time to meet debt service (bond retirement schedules) and operating costs.

Throughout fiscal year 2004-05, the Board continued to encourage the management of the Cal-Vet Farm and Home Loan Program to make significant improvements to the loan product. The goal of the Board and CDVA is to make Cal-Vet the loan of choice for California veterans. Among the improvements supported by the Board by legislation and policy were increases in the maximum loan amount, and decreases in interest rates. Since inception, the Program has assisted over 431,000 veterans to purchase farms and homes throughout the State as a benefit to recognize their personal sacrifice and service to state and country.

The Cal-Vet Home Loan Program has faced a number of challenges over the past five years. In response to those challenges, the Department will restructure the Program into a more cost-effective and efficient operation that manages its assets to maximize responses and investment yield.

- As of January 1, 2005, supported by the board, the maximum Cal-Vet Loan amount was increased to \$359,650 home loan limits. Maximum farm limits were increased to \$539,475.
- As of June 30, 2005 total Program assets of \$2.2 Billion, Fund equity of \$230 Million, Portfolio of 16,470 contracts totaling \$1.48 Billion.
- As of June 30, 2004, Cal-Vet Home Loan Program established a Finance Steering Committee, with Board participation, that has improved communication with our stakeholders, stabilized the management team, invited outside consultants to review the program and deliver excellent customer service, to improve customer outreach to retain contracts and to maintain loan volume.
- June 1, 2004 CalVet interest rates were increased to QVMB 4.95%, QMB 5.10% and Unrestricted (U/R) 5.50%.
- Effective April 4, 2005, the CalVet interest rate on QVMB has increased from 4.95% to 5.15%, following market rate increases. No change was made to QMB or U/R rates, which remain at 5.5%. The Board participated in the Interest Rate Committee's discussion, and agreed with the analysis.
- On March 28, 2005, the Veterans' Finance Committee of 1943 and the Veterans' Debenture Finance Committee approved a broad financing plan by the Department to issue bonds to generate new proceeds to fund contracts or to refund existing bonds to generate savings or tax advantages for the program.
- On April 28, 2005, the Department completed a bond transaction which includes the following components:
 - \$120,000,000 to generate new proceeds for the programs.
 - \$144,075,000 to refund existing bonds to generate debt service savings and to preserve some valuable Non-AMT tax status.
- As of April 2005 the Department reported to the Board which received notice from Standard & Poor's that they have raised their rating on our Revenue and General Obligation Bonds from "A" to "AA-".
- As June 2004 The centralization of loan processing was completed, which resulted in reduced processing time, standardized underwriting, and more effective use of space and personnel. Six Field Office staff remains available to assist during periods of high loan volume.
- As of July 2004 a new toll-free numbers were implemented for the Field Offices as a way of providing better access to our customers.

- An Electronic Funds Transfer (EFT) program was implemented in March 2002 to improve convenience for customers as well as reduce costs through technology. Enhancements will continue to be made to the program.
- Several revised versions of HR 1742, legislation that would remove certain restrictions on the use of QVMB money, were submitted to the House Ways and Means Committee (in June), which was not successful in the 108th Congress. New efforts have begun in the 109th Congress.
- As of December 2004 the Department reported to the Board that Fire and Hazard Insurance coverage has been renewed, and Allianz Global Risks US Insurance Company is the primary carrier with \$20 million in coverage after deductible.
- On March 28, 2005, the Veterans' Finance Committee of 1943 and the Veterans' Debenture Finance Committee approved a broad financing plan by the Department to issue bonds to generate new proceeds to fund contracts or to refund existing bonds to generate savings or tax advantages for the program.
- On February 2005, CalVet submitted to the Board a policy "Unrestricted Funds" for approval that will allow CalVet to use unrestricted money to make loans to peacetime veterans.
- On February 2005, the Department submitted to the Board for approval a contract with the Marshall & Swift/Boeckh, Company (MSB) for the purpose of doing a replacement cost evaluation of all the individual homes.
- As of June 2005 the Department reported to the Board, CalVet contract holders were notified that the nationwide firm of Marshall & Swift/Boeckh (MSB) was selected to provide the valuations, which will be used to update replacement cost coverage values in the CalVet home protection programs.
- At the end of fiscal year Cal-Vet Loan processing times average 30 days or less.

VETERANS SERVICES

The Veterans Services Division (Division) continues to move forward and bring forth to the Board a wide range of high profile veteran issues this reporting period. Accordingly, the division assumed the Cemeteries and Memorials Program. The program is coordinating the establishment of new state owned and operated veteran cemeteries. The first cemetery is the Northern California State Veteran Cemetery (NCSVC), located in Shasta County. The cemetery is scheduled to be operational by November 2005. Veterans in the northern California region will soon be provided a new state benefit in the form of dignified military burials. CDVA manages the construction and maintenance of several veterans memorials located in Capitol Park.

The Division is mandated to provide direct assistance to the Veteran community. The division reports to the Board updates of the program affecting veterans and eligible family members. The Division is responsible for managing over \$3.5 million dollars, annually, for California's 56 County Veterans Service Offices (CVSO) programs. Approximately 160 USDVA accredited CVSO representatives provide representation to over 300,000 veterans, dependents and survivors.

The many programs and benefits for the veterans are managed by the Division, which include Homeless Resources, CVSO programs, College Tuition Fee Waiver, Veterans License Plate, Outreach for the Disabled Veteran Business Enterprise Program (DVBE), and Cemeteries and Memorials.

VETERANS HOMES

The state's aged or disabled veterans are provided with rehabilitative, residential, and medical care and services in a home-like environment at the California Veterans Homes. Management changes have included appointments of experienced long-term care Administrators and physicians at each of the Homes. The added depth of long term care experience and the re-organization has assured successful completion of Department of Health Service and US Department of Veterans Affairs surveys during this past year.

Veterans Home of Yountville reported to the Board on October 8, 2004 on the following items and constructions projects: Announced that Stephen Vance; M.D. was selected as the new Chief Medical Officer effective 24, 2004; the Lincoln Theater Remodel-Construction had been completed With an Opening Gala scheduled for January 8, 2005; the Water Storage Renovation project was approved the funding by USDVA; the Electrical Distribution project-USDVA approved the funding for the grant; Hospital West Entry Remodel and Annex I Remodel.

Veterans Home of Chula Vista reported to the Board that as of October 1, 2004, the Chula Vista Pharmacy would be operational to fill prescriptions for Barstow's domiciliary residents. Barstow Veterans Home emergency prescriptions are obtained from local pharmacies. Public Affairs Officer, John A. Smith was selected as the 2004 San Diego County "Veteran of the Year". He was recognized for his work at the Veterans Home in Chula Vista, and for more than 20 years of service to the San Diego County veteran's community. The Chula Vista Veterans Home Support Foundation received the award for "Organization of the Year" 2004. The Foundation is actually older than the Veterans Home.

CAPITAL DEVELOPMENT AND CONSTRUCTION DIVISION

The United States Department of Veterans Affairs lists California as one of two states in "Great Need" for additional Veterans Homes. The State's voters, Legislature, and Governors all recognized this critical need and responded. Enabling legislation (the Veterans Home Bond Act of 2000, AB 2559 [Wesson] of 2002, and AB 1077 [Wesson] of 2004) have made funds available to develop and construct new Veterans Homes in Lancaster, Ventura, West Los Angeles, Fresno, and Redding. These funds are the matching requirement to receive a grant from the USDVA State Home Grant Program that will provide the majority of the projects costs. AB 1725 [La Malfa] will allow the Department of General Services, on behalf of Veterans Affairs (CDVA) to acquire, design, equip, construct and establish the veterans homes to be constructed in Fresno and Shasta Counties using the design-build construction procurement process.

The process to locate new veterans homes in California has taken many twists and turns over the last 15 years. The Veterans Bond Act of 2000 specifies Lancaster and Ventura as communities in which new veterans homes will be developed.

The USDVA's Millennial Healthcare Act of 2000 changed the way projects eligible for State Home Grant monies would be evaluated: simply put, new Veterans Homes receiving Grant funds would have to be located near veteran population centers.

The development of new Homes in Lancaster and Ventura languished while the Legislature, Governor, and USDVA disagreed over competing views of how best to serve deserving veterans. Finally, in 2002, a proposal was agreed upon that satisfied most parties and

seemed to offer the best hope of providing additional veterans homes services to veterans in the Los Angeles county region.

Monies were provided for the construction of three new Veteran Home campuses, two facilities in Lancaster and Ventura, and a much large facility in West Los Angeles on the grounds of the USDVA Greater Los Angeles Medical Center. This met the requirements of both the Bond Act of 2000 and the USDVA State Homes Grant Program. From this initial concept grew the Veterans Homes of California-Greater Los Angeles/Ventura Counties project.

GLAVC is the acronym of the State's newest Veterans Home project, Greater Los Angeles/Ventura Counties. The full name is Veterans Homes of California-Greater Los Angeles/Ventura Counties, i.e. VHC-GLAVC. Veterans Homes of California have traditionally been named after the community in which they are located (VHC-Yountville, VHC-Barstow, VHC-Chula Vista.) GLAVC continues this theme; the three new campuses are located in Greater Los Angeles County (Lancaster and West Los Angeles) and Ventura County (Ventura).

GLAVC Development: July 1, 2007 Begin construction, December 2008 Lancaster and Ventura completed and December 2009 West Los Angeles completed.

Governor Schwarzenegger dedicated the Lancaster Veterans Home to Senator William J. Pete Knight on June 8, 2004.

THE BOARD AND LEGISLATIVE PROCESS

Although its principle responsibility is as the policy making body for the Department of Veterans Affairs, the Board has, over the years, developed into an active informational conduit for the veterans community. It carries forward to that community the policy aims of the gubernatorial administration of which it is largely a part, as well as those it affixes for the Department of Veterans Affairs. It also carries back to them the attitudes, concerns, and positions of California veterans encountered in the travels of the Board and its individual members. That naturally existing dialogue gives rise to the Board's interest in the legislative process as it relates to veterans issues.

The Select Committee on Legislation monitors veterans-related legislation as well as more broadly defined legislation that might be of interest to California's veterans. From time to time, and after much discussion among themselves, the Board may take a public position on certain legislative measures.

During the past fiscal year, the Board reviewed and considered 54 Bills sponsored by various Senators and Assembly members.

THE BOARD AND THE APPEAL PROCESS

Section 86 of the Military and Veterans Code provides that the Board serves as an appellate body for any veteran who believes that a decision by the Department of Veterans Affairs with respect to that veteran has affected them adversely. When an appeal is received, it is assigned to one of the seven at-large members for review. The assigned member, in conjunction with independent counsel to the Board, is responsible for reviewing all file material, conducting an initial hearing when one is requested, and making a presentation to the full Board. Independent counsel for the Board conducts formal hearings. The most frequent topics for appeal during this reporting period were veterans Home admission issues, College Fee

Waiver issues, and various Farm and Home Loan Program issues. The Board also conducts formal hearings at which time the entire Board sits as a jury and both sides have legal counsel.

CHART OF APPEALS—FISCAL YEAR JUNE 2004 – JULY 2005

| Appellant | Rec'd | Subject | Type of Hearing | Date Voted | Decision |
|------------|----------|----------------------|----------------------|---------------------|-----------|
| Gorfine | 4/30/05 | Loan Balance | Informal | 7/16/04 | Denied |
| Muramoto | 7/19/04 | Insurance | Review of the Record | 8/20/05 | Denied |
| Monroy | 7/28/04 | Farm & Home | Informal | 7/28/04 | Support |
| Strubinger | 9/03/04 | 1 year provision F&H | Review of the Record | 9/04/04 | Letter |
| Ward | 9/17/04 | 10 Year Contract | Informal | 10/08/04 | Denied |
| Pochel | 9/06/04 | Tuition Fee Waiver | Informal | 12/03/04 | Denied |
| Johnson | 10/12/04 | Denied Admittance | Formal | Deferred to 9/29/05 | |
| Holtzclaw | 01/31/05 | Farm & Home | Formal | Scheduled 9/29/05 | |
| Davis | 02/03/05 | Farm & Home | Review of the Record | 05/20/05 | Denied |
| Chavez | 03/14/05 | Discharge Yountville | Formal | 03/28/05 | Withdrawn |
| Jones | 06/06/05 | Farm & Home | Formal | Deferred 2006 | |

Locations for FORMAL Hearing are to be scheduled close to the Appellants home.

CHART OF APPEALS BY CATEGORY/TYPE

| Category | Type Of Hearing(s) | Board Decision |
|------------------------------|---|--|
| College Education Fee Waiver | ➤ 1= Review of records | 1 Denied, outside the Boards authority |
| Farm and Home Loan | ➤ 2 = Formal ➤ 3 = Informal ➤ 2 = Review of records | 6 Denied 1 Support |
| Discharge: Yountville | ➤ 1 = Formal | 1 Withdrawn |

The Law Office was provided copies of all current appeals, in addition copies provided in the Board books. Locations for FORMAL Hearings are to be scheduled close to the Appellants home.

THE BOARD AND THE VETERANS COMMUNITY

As specified in Sections 65 and 66 of the Military and Veterans Code, those individuals appointed by the Governor to serve on the California Veterans Board are veterans themselves. These men and women are people who represent the geographic and social diversity of California and they are generally individuals who have demonstrated history of service to the veteran community prior to their appointment to the Board. It is in fact the members' stature in the veteran community that gives the Board both its credibility and its access to that community. As gubernatorial appointees, Board members have the responsibilities of communicating the Governor's veteran-related public policy positions to the veterans who live in California and returning to the Governor those concerns and viewpoints of the veteran constituency that have been communicated to the Board.

To adequately meet the responsibility described above, the Board feels very strongly to meet where veterans live and that it should meet in locations throughout the entire state and keep in mind this fact not only to meet primarily in Sacramento. Furthermore, Board members believe that meeting in rural communities and in those smaller urban communities that abound in California is every bit as important as meeting in large cities like Los Angeles, San Diego, and San Francisco. The Board has worked to implement a pattern for meeting locations that provides for this kind of geographic diversity.

Always critical to an accurate understanding of the veteran community in California is a well-developed working relationship with the veterans' service organizations. These groups, including The American Legion, Disabled American Veterans (DAV), American Veterans (AMVETS), Jewish War Veterans (JWV), Fleet Reserve Association, Reserve Officers Association (ROA), Vietnam Veterans the American G.I. Forum, and the Veterans of Foreign Wars (VFW), among others, represent more than a half million California veterans. They are platforms for community service in virtually every city and town in our state. The relationship between the Board and the service organizations has been excellent during this reporting period. The Board members wish to express their deep gratitude to the organizations for the cooperation extended to it on a wide range of topics during this reporting year. Board members continue to seek out similar levels of interaction with California veterans who may not be affiliated with any organized veterans group.

SUMMARY OF KEY ACTIVATES

July 1, 2004 through June 30, 2005

As indicated in the month-to-month overview of the boards' agenda, the California Veterans Board makes every attempt to meet in various parts of the state. Meetings took place as far north as Yountville and as far south as San Diego. It is the desire of the Board to go where veterans reside in order to give them a chance to appear before the Board. During fiscal year of 2004-2005 veterans have provided input to the Board by means of an online web page resulting in over 400 processed questionnaires.

The term limit of which Judy Gaze carried out expired January 15, 2005. On November 19, 2004 Governor Schwarzenegger appointed James Crump of Folsom. On June 25, 2004 Governor Schwarzenegger appointed Dr. Vernon Chong to the California Veterans Board and on January 21, 2005, Dr. Vernon Chong was reappointed and Governor Schwarzenegger also appointed William Jackson of Barstow on January 21, 2005.

The Board attempts to accommodate veterans who file appeals. These appeals have been heard monthly in locations throughout the state. The Board processed 11 appeals and approved one. (See map of meeting locations & appeal chart for details.) During the last three fiscal years the number of veterans filing appeals to the Board has decreased. This is felt to be a result of the policies set by the board and the collaborating effort with the Department and members of the Board communicating with California's veterans. If a complaint is brought to the Board's attention calls or letters are sent to the veteran until all of the matters are resolved and/or understood.

The current Board has taken a very firm stand and is deeply concerned about the following issues: homeless veterans, Alzheimer/dementia treatment facilities within our veterans' homes, the Life and Disability Insurance program in the Cal Vet Home Loan program. Additional attention is given to veterans' rights in the College Fee Waiver program for their children, lower interest rates for Home Loans and the planning for future Veterans Homes in California.

The California Veterans Board Policy Book is available on the Website at www.cdva.ca.gov/board.

Budget Expenditure Report July 1, 2004 through June 30, 2005

| Type | General Fund 91,000 | Farm & Home 64,252.00 | Balance |
|-------------------|--------------------------------|--------------------------------------|------------------|
| Personal Services | 18,032.00 | 68,803.00 | |
| General Expenses | 2,322.00 | | |
| Printing | 92.00 | | |
| Communications | 1,839.00 | 790.00 | |
| Postage | 7,119.00 | | |
| Travel/Per Diem | 19,374.00 | 1,480.00 | |
| Total | 48,779.00 | 71,073.00 | 35,400.00 |

NOTES:

Expenditures are rounded to the nearest dollar.

- ❖ This report summarizes the budget allocation and expenditure for both funding sources (General Fund and the Farm & Home Building Fund). It does reflect the savings or deficit for each fund.

REGULAR BOARD MEETING SCHEDULE FISCAL YEAR 04/05

| DATE | LOCATION | TYPE OF MEETING |
|--------------------|---|-----------------|
| JULY 16, 2004 | TULARE Civic Affairs Building | REGULAR |
| AUGUST 20, 2004 | MARYSVILLE Council Chambers | REGULAR |
| SEPTEMBER 24, 2004 | WEST LOS ANGELES VA Medical Center | REGULAR |
| OCTOBER 8, 2004 | SAN DIEGO Veterans Home-Chula Vista | REGULAR |
| DECEMBER 3, 2004 | YOUNTVILLE Veterans Home | REGULAR |
| DECEMBER 21, 2004 | SACRAMENTO Headquarters | SPECIAL |
| FEBRUARY 25, 2005 | CLOVIS/FRESNO Veterans Memorial Hall | REGULAR |
| APRIL 22, 2005 | VENTURA City Hall | REGULAR |
| MAY 20, 2005 | BARSTOW Veterans Home | REGULAR |

Note: Minutes of meetings are available at the Website www.cdva.ca.gov/board.

- ❖ The CVB is very interested in reaching as many veterans as possible and addressing their concerns. A questionnaire www.cdva.ca.gov/board is now available or if prefers by calling (916) 653-2041. The purpose of this questionnaire is to provide veterans/constituents with another process for communication with Board members. Every California veteran input is valued and appreciated.

Recognition Plaques and Certificates Presented July 2004 – June 2005

| PRESENTED TO | TITLE | DATE | PRESENTED BY |
|--------------------------------|---|--------------------|---------------------|
| Jerry Basconcillo | Board Member | July 16, 2004` | George Sinopoli |
| James Hackney | American Legion Commander | June 15, 2004 | Leo Burke |
| Edward Feldman | Board Member | September 24, 2004 | George Sinopoli |
| Marcella McCormack | Administrator | December 3, 2004 | George Sinopoli |
| David Grafft | Consultant | December 3, 2004 | George Sinopoli |
| Assemblyman Steve Samuelian | Legislature | February 2004 | George Sinopoli |
| John A. Brieden III | National Commander The American Legion | December 13, 2004 | Leo Burke |

- ❖ The Board awards individuals and programs to recognize those veterans and organizations deserving recognition.

Distribution:

| | |
|----|---|
| 4 | Governor's Office |
| 2 | President Pro Tempore of the Senate |
| 2 | Speaker of the Assembly |
| 40 | Chairperson Senate Veterans Committee |
| 20 | Chairperson, Assembly Veterans Committee |
| 12 | Senate & Assembly Rules Committee |
| 2 | Legislative Analyst's Office (LAO) |
| 2 | Joint Legislative Budget Committee |
| 60 | Commanders & Presidents of California Veterans Organization |
| 2 | President of County Veterans Service Officers (CVSO) |
| 3 | Presidents of California Veterans Homes Allied Councils |
| 15 | California Department of Veterans Affairs |
| 14 | California Veterans Board Members |
| 10 | California Veterans Board Office Files |

POSTED at [www.cdva.ca.gov/board/annual report 2004/05](http://www.cdva.ca.gov/board/annual%20report%202004/05)



CALIFORNIA VETERANS BOARD BIOGRAPHIES

Vernon Chong, M.D., Major General (Ret), Chairman

Member since 2004

Prior to this appointment Dr. Chong served as special assistant to the network director of Veterans Integrated Service Network, based in San Francisco. Dr. Chong served 31 years in the United States Air Force, achieving the rank of Major General before his retirement. Dr. Chong earned a Bachelor of Arts degree at Stanford University and a Doctor of Medicine degree at the Stanford University School of Medicine.

Leo P. Burke

Member since 1985

Mr. Burke has served as Chairman and Vice-Chair for the Board. Prior to his retirement he served for the last thirty one years as the Administrator of the Stockton Convention Center. In addition to his board duties Mr. Burke continues to serve on the San Joaquin Delta Community College Board of Trustees. Mr. Burke served in the U.S. Marine Corps, is a veteran of World War II.

Randal Bressette, Vice-Chairman

Member since 2006

Mr. Bressette is a partner in the Bressette Companies, a financial planning firm. Bressette is a founding member of the Laguna Hills City Council, serving since 1991, and served as Mayor in 1996, 2001 and 2005. He served in the United States Naval Reserve as an aircrew member from 1972 to 1985, retiring with the rank of chief warrant officer. Bressette received a Bachelor's degree in Business Administration at University of Red-

lands and a Master's degree in Financial Planning at Southern States University.

Jake I. Alarid

Member since 2006

Mr. Alarid is retired as an engineering manager for Rockwell International in 1994 after 35 years of service, during which he worked on the Apollo and Space Shuttle programs. Mr. Alarid served in the United States Marine Corps from 1952 to 1956.

Alice Astafan, Major General (Ret)

Member since 2006

She is currently the chief executive officer of the Federal Technology Center. Astafan served in the United States Air Force for over 30 years, retiring as a Major General. Astafan is a member of the National Advisory Committee for the Federal Laboratory Consortium and serves on the board of directors for the Eskaton Corporation. Astafan earned a Master's degree in International Affairs and Early Childhood Education at Sacramento State University, a Bachelor of Science degree in Biology and Chemistry and a graduate in the National and International Security Program at the John F. Kennedy Senior Managers in Government Program.